

EXHIBIT 68

Message

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Sent: 9/10/2012 11:28:27 AM

To: CHOW Yew Yuen [KOM-COO] [/O=KEPPEL GROUP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=YewYuen.CHOW11]

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Subject: RE: Information requested on SETE Contract

Attachments: Sete 2012Q3 SRP (RevDraft 9 Oct 2012).docx; Annexure C-1 Management of Inflation Cost Escalation in Brazil (FINAL).pdf; Brazil Contracts (Final).pptx; Setebras and Fernvale Oct 2012.doc

Dear Mr Chow,

As spoken this afternoon, Leong Peng has arranged a meeting with you this Friday (12 Oct) 2p.m. to go through the presentation file for the SETE contract. Currently Leong Peng and Edmund is working on the committed cost today.

For better understanding of what had been communicated to KCL BRC so far, please refer to the following documents:

1. Management of "cost escalation" of Brazil contracts (prepared by KCL Group Risk Management with input from Leong Peng and KOM Brazil team) presented to KCL Board Risk Committee in July 2012 BRC meeting. **(file name: Annexure C1 & PowerPoint file – Brazil contracts)**
2. The currency hedge paper prepared by Edmund for the BRC meeting scheduled for 16 Oct 2012. **(file name: Setebras and Fernvale Oct 2012)**
3. 3Q2012 Significant Risk Project reporting to BRC – Sete project (pending "committed cost" and breakdown) - **(filename: Sete 2012Q3 SRP)**

KOM ERM team has scheduled a ERM training workshop for Keppel Batangas from 11-13 Oct 2012. So I will not join in for the Friday meeting. I will follow up with Leong Peng on the presentation materials.

Let me know when you need any clarification.

Best Regards,
Chee Kit

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KOM SRP (2012 – Q3)**C1. Category 1 – Projects with High Operational Risk****Project Title:** SETE Unit 1**Client:** SETE Brasil SA (Petrobras -5%, 9 other investors) as at Aug 2012**Project Description:**

This contract worth approximately US\$809 million is signed between a 100% subsidiary of KOM, Fernvale Pte. Ltd (incorporated in Singapore) and Urca Drilling B.V., a subsidiary of Sete Brasil Participações S.A. (Sete Brasil), for the design and construction of a semisubmersible (semi) drilling rig based on Keppel's proprietary DSSTM 38E design, which is jointly developed and owned by Keppel's Deepwater Technology Group and Marine Structure Consultants. It is rated to drill to depths of 10,000 metres below the rotary table in 3,000 metres water depth. It is 108 metres in overall length, with a main deck size of 73 metres by 73 metres. Its operational displacement is approximately 45,000 tonnes. The DSSTM 38E has accommodation facilities to house a crew of up to 160 men. It has both vertical and horizontal riser storage. The vessel is designed to stay in position via eight Azimuthing thrusters and the configurations comply with the American Bureau of Shipping Dynamic Positioned System (DPS-3) requirements.

The DSSTM 38E design is in the league of some of the world's most advanced drilling semisubmersibles, an enhancement of Keppel's proven fifth generation deepwater solution, the DSSTM 38. The two DSSTM38 semis, Gold Star and Alpha Star, previously delivered by Keppel FELS to Brazil's Queiroz Galvão Óleo e Gás (QGOG), are operating efficiently without disruption in offshore Brazil for Petrobras. With improved capability and operability in DSSTM 38E, this semi is designed to meet the stringent requirements of the deepwater "Golden Triangle" region, comprising Brazil, Africa and the Gulf of Mexico. The rig is intended to support the exploration of Brazil's estimated 50 billion barrels of deep-sea oil and gas reserves.

In August 2012, Sete awarded another 5 units of DSSTM38E contract worth US\$4.12B to Fernvale which the 6th unit will be delivered by 2019. The project construction works are subcontracted by Fernvale to KOM yards in Brazil (Brasfels) and Singapore (KFELS), whereby KFELS will allocate some works to Keppel's yards in Indonesia (Bintan) and Philippines (Batangas). Fernvale will undertake the procurement of critical equipment and overall project management to ensure Brazilian content rule is adhered to.

Client's background

Sete specialises in chartering drilling rigs for Brazil's pre-salt exploration and DSSTM 38E design is the first semi it ordered. To date, it has ordered 30 rigs whereby 28 have been contracted. Petrobras created the Sete Brasil in Dec 2010, where the state-owned company holds 10% of the equity interest. Then, other seven shareholders became investors of the company, the pension funds: Petros Previ, Funcef and Valia, plus the banks Santander, Bradesco and FI-FGTS. Since its incorporation, SETE has secured contracts with Petrobras and increased its share capital progressively to fund the rig buildings programme. As At 9 Aug 2012, Sete has received capital injection of BRL5.5B from the investors, whereby Brazil's Banco BTG Pactual SA (BBTG11.BR) and an infrastructure investment fund it manages become the largest investors in Sete, with about a 30% stake. Two new investors joined the latest round: U.S. private-equity firm EIG Global Energy Partners invested BRL500 million while a wealthy Brazilian family also invested. Petrobras maintained its 5% stake in Sete.

Commencement Date: 4Q2011**Completion Date:** 4Q2015**Reasons the project is considered as significant risks:**

- Stringent regulation on Brazilian content, high operating costs, powerful labor regulations, and a difficult supply chain environment in Brazil
- Price escalation of the Brazilian cost and currency fluctuation
- DSSTM38E is a prototype which is based on the original design of DSSTM38 with enhanced operability and efficiency

KOM SRP (2012 – Q3)**Any significant issues to highlight by Management:**

The requirement of global Brazilian content is 55% for the 1st and 2 unit, 60% for 3rd and 4th unit, 65% for 5th and 6th unit. This requirement will need more works and procurement of materials/ equipments/ services to be carried out in Brazil with higher cost in general. The local content requirement required from the 3rd rig onwards will also be increased gradually for the key power generation system (1&2=40%; 3&4=50%; 5&6=60%) and drilling systems (1&2=20%; 3&4=30%; 5&6=50%). The yard facilities, manpower, skill sets and infrastructure support in Angra yard will need to be enhanced to execute these contracts effectively. Management has worked on upgrading plan for the yard facilities.

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The contract payment is in US\$364M and BRL694M for this 1st unit (equivalent to US\$809M), based on milestone payments, in which the project net cashflow is positive. Based on the projection of the schedule, KOM has hedged the US\$ surplus against S\$ for all 6 units.

This fixed price contract is based on the proposal submitted to Sete Brasil in July 2011. Hence, the cost estimates and projection prepared by the project teams in 2010 and 2011 may be different from the current market price. The project management team has negotiated with vendors (bulk materials and equipment) to secure discounts for the cost of total 6 rigs and meeting the Brazilian content requirement. Buffer has also been incorporated in the project delivery schedule. Price escalation formula based on indexation also built into the contract for labour, materials and equipment for all 6 units to mitigate the impact of price escalation in Brazil.

8377 (299/(364+21) TBA% of the total US\$ cost and 7289 (498/(403+155) TBA% of the BRL cost have been committed for this 1st unit so far to minimize any future price escalation.

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Detailed Project Information @ 30 Sept 2012

Project Value / variation orders	% Of Completion	Total Cost Committed	Cost Overrun	Delay (months)	Budget Profit	Projected Profit taking into account expected cost overruns and LD for delays	Reasons for deviation from Budget Profit
US\$ 809M (US\$364M + BRL694M@1.56)	9%	TBAUS\$ 299M + R\$498M	NIL	NIL	US\$ 66M	US\$ 66M	NA

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KOM SRP (2012 – Q3)

Definition for line items in the significant-risk projects table

S/N	Description	Definition
1.	Project Value / Variation costs	The Project Value is the awarded contract value. The variation costs are the amount Management is confident of claiming from the customer and includes the amount approved by the customer.
2.	% of Completion	This is the overall project completion based on the design, procurement, construction, testing and commissioning phases.
3.	Total cost committed	The total cost committed includes the amount recorded in the book and the cost that has been contracted but not yet incurred at the time of reporting.
4.	Expected cost overrun	This is the increase in cost committed as compared to budgeted cost. Reasons for the increase could be in cost increase in procurement, labour cost, other project activities and potential LD due to expected delays.
5.	Expected delay (months)	The expected delay from the original project completion date.
6	Budgeted Profit	This is the estimated project profit at the time of submitting the project proposal.
7.	Projected Profit	This is the expected projected profit at this point in time and is estimated based on the cost committed, the expected cost to complete the project and the potential LD due to the expected delays.
8.	Reasons for deviation from budget	Brief explanations obtained from the SBU Management for the deviation.

KOM SRP (2012 – Q3)

A.3 Project Category

To differentiate the different risk aspects, we have grouped the projects into the following 3 categories:

Category 1 – Projects with high operational risks and require close monitoring.

Category 2 – Projects with low operational and/or market risks.

Category 3 – Projects with low operational risks but with high exposure to market risks.